

**STATE LAND DEPARTMENT
STATE OF ARIZONA**

.....COMMERCIAL.....LEASE

THIS INDENTURE, made and entered into this 29th day of June, 19 66,
by and between the State of Arizona, hereinafter called the lessor, and.....
.....**BAGDAD COPPER CORPORATION**.....
of Bagdad....., State of Arizona....., hereinafter called the lessee:

WITNESSETH, that the State Land Commissioner, by virtue of the authority vested in him by law, and in consideration of the application heretofore made, and the covenants and agreements of this lease, hereinafter set forth, has this day leased to the said lessee the State Land, as hereinafter described, subject to any and all indebtedness that may be known to be due or that may be proven to be due hereafter.

TO HAVE AND TO HOLD the same for the period ending the 28th day of June, 19 68, and subject to the conditions and reservations elsewhere set forth herein. The lessee agrees to pay as rental therefor an amount to be determined by the State Land Commissioner each year by an appraisal made by him, or his duly authorized agent, as provided by law. The rental so fixed by the State Land Commissioner will be due and payable annually in advance. \$100.00 or 1¢ per 1000 gallons of water used, whichever is greater.

IT IS HEREBY COVENANTED AND AGREED by both parties hereto that this lease is issued subject to all the provisions and requirements thereto, which are found in the various Acts of the Legislature of the State of Arizona, the same as though they were fully set forth herein.

IT IS HEREBY FURTHER COVENANTED AND AGREED that all of the covenants, conditions and agreements, included in this lease, shall be, become and are a part of the lease, the same as though set forth in full over the signatures of the contracting parties hereto.

IN WITNESS WHEREOF, the Arizona State Land Commissioner, by virtue of the powers vested in him by law, has caused these presents to be executed by said lessor, at Phoenix, Arizona, on the day and year first above written, and the said lessee has hereunto affixed his signature at the place and on the day and year as set forth herein.

By O. M. Lassen
.....
State Land Commissioner.

(SEAL)

By J. C. Thompson
.....
Acting Deputy State Land Commissioner.

Signed in the County of Yavapai....., State of Arizona....., on the 11th day of August....., 19 66..

BAGDAD COPPER CORPORATION
(Signed Here) George W. Colville
.....
Executive Vice President

This lease is
issued in duplicate

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That it is further understood and agreed that this lease is issued for the purpose of: well sites, which will serve water to the Town of Bagdad for domestic and mining purposes.

This lease is not subject to preferential right of renewal except when commercial development is substantially commenced on the land prior to the expiration of the lease.

The Lessee agrees to indemnify, hold and save Lessor harmless against all loss, damage, liability, expense, costs and charges incident to or resulting in any way from any injuries to person or damage to property caused by or resulting from the use, condition or occupation of the land.

DESCRIPTION OF LAND LEASED CONTAINED IN LEASE SUPPLEMENT ATTACHED
HERETO AND MADE A PART HEREOF.

8	4	66
MO.	DAY	YR.

BAGDAD COPPER CORP
P O BOX 245
BAGDAD ARIZONA 86321

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KE	LEASE NUMBER

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